

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0190-01
Bill No.: HB 734
Subject: Roads and Highways; Taxation and Revenue, Transportation.
Type: Original
Date: March 7, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$61,667,000)	(\$123,333,000)	(\$185,000,000)
State Road Fund	\$61,667,000	\$123,333,000	\$185,000,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (DHT)** state this legislation eliminates transfers from State Highway and Transportation Department Fund over a 3-year period.

DHT states that assuming that other state agency amount is capped at \$185 million, the revenue gain would be as follows: FY 2002 - \$61,667,000; FY 2003 - \$123,333,000; FY 2004 - \$185,000,000; FY 2005 - \$185,000,000.

Officials from the **Office of Administration - Budget and Planning (BAP)** state the Department of Transportation would receive additional funds through the proposal. All agencies aside from MoDOT receiving appropriations from the state highways and transportation department fund (SHTDF) would be directly affected by the proposed revision to the limitation on SHTDF appropriations. Other agencies would be affected indirectly to an unknown degree, because general revenue funds that would otherwise be available for their use would have to be used to supplant SHTDF appropriations (it is presumed that the majority, if not all of the SHTDF for agencies beside MoDOT would have to be replaced with general revenue to avoid a significant adverse impact on state agency operations and service to the public).

BAP states, as approved by the General Assembly, FY-01 SHTDF appropriations to agencies besides MoDOT total \$185,005,946. It should be noted that this figure is subject to change because it includes several open-ended appropriations that may be increased during FY-01 in order to cover expenditures. Since the ultimate FY-01 appropriation figure is not knowable at this point, the \$185,005,946 figure was used in this analysis. Assuming one-third of this amount had to be supplanted with general revenue in FY-02, the cost to general revenue (and savings to the SHTDF) would be \$61,668,649.

Officials from the **Office of the State Auditor**, the **State Treasurer's Office**, the **Department of Revenue**, the **Department of Natural Resources**, and the **Department of Public Safety—Missouri State Highway Patrol** assume that the proposal would reduce funding to their agencies by one third each year, beginning in FY 2002. **Oversight** will show this effect of the proposal as savings to the Highway Fund and a cost to General Revenue.

In response to similar legislation from this year, officials from the **Department of Economic Development** also assumed that the proposal would reduce funding to their agencies from the Highway Fund. As discussed above, Oversight will show this effect of the proposal as savings to the Highway Fund and a cost to General Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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**STATE HIGHWAY AND ROAD
FUND**

<u>Savings</u> - Discontinued funding to state agencies receiving appropriations from Highway Fund	<u>\$61,667,000</u>	<u>\$123,333,000</u>	<u>\$185,000,000</u>
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GENERAL REVENUE

<u>Loss - Various State Agencies</u>			
Replacement funding to state agencies receiving appropriations from Highway Fund	<u>(\$61,667,000)</u>	<u>(\$123,333,000)</u>	<u>(\$185,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires that the total amount of appropriations from the Highways and Transportation Fund to all other state departments for purposes not related to highway construction and maintenance be reduced by one-third of the Fiscal Year 2001 total in Fiscal Years 2002, 2003, and 2004, resulting in zero appropriations for Fiscal Year 2005.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
State Auditor's Office
State Treasurer's Office
Department of Revenue
Department of Natural Resources
Department of Public Safety - Missouri Highway Patrol
Department of Economic Development

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director

March 7, 2001